

**FY 1999-2000
Budget Detail
for**

**RESOURCE
PROTECTION**

**Agriculture
Environmental Quality
Natural Resources**

AGRICULTURE

PUBLIC ACT 112 OF 1999

Analyst: Craig Thiel

	FY 1998-99 YEAR-TO-DATE APPROPRIATIONS	FY 1999-2000 ENACTED APPROPRIATIONS	FY 1999-2000 ENACTED CHANGE FROM FY 1998-99	
			AMOUNT	PERCENT
FTE POSITIONS	604.5	605.5	1.0	0.2
GROSS	\$89,529,200	\$91,750,000	\$2,220,800	2.5
IDG/IDT	844,300	8,571,900	7,727,600	915.3
ADJUSTED GROSS	\$88,684,900	\$83,178,100	(\$5,506,800)	(6.2)
FEDERAL	5,435,100	5,249,900	(185,200)	(3.4)
LOCAL	0	0	0	0.0
PRIVATE	711,000	871,900	160,900	22.6
OTHER	33,651,800	31,172,400	(2,479,400)	(7.4)
GF/GP	\$48,887,000	\$45,883,900	(\$3,003,100)	(6.1)

SB 357

Referred to Appropriations
2/23/99

Passed Senate
3/24/99

Passed House
5/25/99

Conference Approved
by Senate
6/9/99

Conference Approved
by House
6/9/99

Effective
7/9/99

OVERVIEW - AGRICULTURE

The Michigan Department of Agriculture (MDA) is the official state agency charged with serving, promoting and protecting the food, agriculture, and agricultural economic interests of the people of the State of Michigan. MDA programs serve all sectors of agriculture, which is Michigan's second-largest industry.

Public Act 112 of 1999 includes \$91,750,000 in Gross appropriations and \$45,883,900 in GF/GP support to the Department Agriculture for FY 1999-2000. Compared to FY 1998-99 year-to-date appropriation levels, the FY 1999-2000 budget provides for an increase of 2.5% in overall funding and a decrease of 6.1% in GF/GP support. The sizable GF/GP decrease for FY 1999-2000, when compared to current-year appropriation levels, is primarily attributable to a one-time \$9.6 million supplemental appropriation in FY 1998-99 for the MDA's bovine tuberculosis monitoring and eradication efforts. Without this FY 1998-99 supplemental, the FY 1999-2000 budget would show an increase of 16.9% in GF/GP support over FY 1998-99 levels. The FY 1999-2000 budget includes an interdepartmental grant from the Department of Community Health for grants to local health departments for food safety activities (\$7.9 million). In previous years this program was administered under the Department of Community Health.

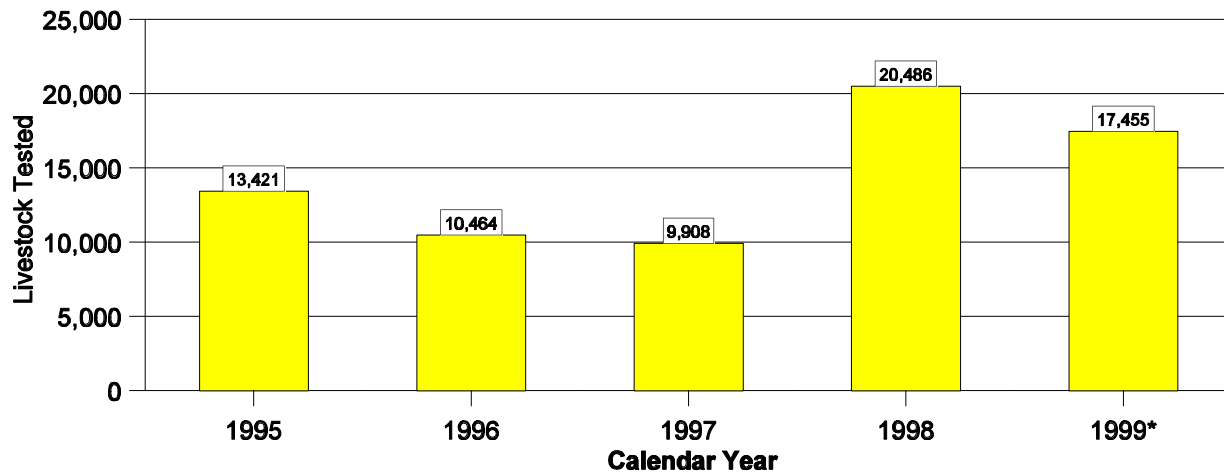
The FY 1999-2000 budget continues funding for a number of programs contained in the FY 1998-99 budget and provides funding for a number of new initiatives. The budget includes a total of \$6.1 million GF/GP, an increase of \$2.1 million over current-year levels, for Project GREEN to address various problems facing plant-based agriculture in Michigan. The FY 1999-2000 budget also provides a \$1.5 million GF/GP grant to the Michigan Biotechnology Institute to develop and commercialize environmentally-friendly technologies — an increase of \$100,000 over the current year. The FY 1999-2000 budget enhances funding for the Migrant Labor Housing Construction Grant Program by \$250,000, bringing the total to \$550,000. A FY 1998-99 supplemental provides a one-time increase of another \$250,000 GF/GP for the construction grant program. The budget contains new funding for an on-farm fuel storage liaison, as well as funds to support state participation in federal agricultural export activities.

The FY 1999-2000 budget contains major funding and policy changes associated with grants/programs financed with horse racing revenue. Under the budget, horse racing revenue supports only horse racing programs/grants — a major change from past practice. The FY 1999-2000 budget replaces horse racing revenue used currently to support three fair-related programs with an equal amount of GF/GP and redirects the revenue, \$2.4 million, to fund horse racing programs. A total of \$11.5 million in horse racing revenue is appropriated for FY 1999-2000 to support horse racing programs/grants. As part of the policy change to fund horse racing programs with horse racing revenue only, the FY 1999-2000 budget re-directs just over \$300,000 in General Fund support from the Office of the Racing Commissioner to enhance MDA food safety activities.

The Department of Agriculture, in cooperation with the Departments of Natural Resources and Community Health, is engaged in an effort to eradicate bovine tuberculosis from Michigan. The disease has been found in the free-ranging deer population in the northeastern Lower Peninsula and has been discovered in a limited number of livestock herds, threatening Michigan's Tuberculosis Accredited Free State status. A \$9.6 million GF/GP FY 1998-99 supplemental appropriation is provided to test herds at state expense, to make indemnification payments for infected herds, and to help farmers reestablish their businesses if herds must be destroyed. The chart below illustrates the extent of testing for bovine tuberculosis in livestock over the past four years.

Bovine Tuberculosis Testing (Quarantine Area)

1995 Through June 1, 1999



* As of June 1

Source: Department of Agriculture

MAJOR BUDGET CHANGES: FY 1999-2000

Budget Issue

Change from FY 1998-99

1. Program Enhancement - Project GREEN

Project GREEN (Generating Research and Extension to Meet Economic and Environmental Needs) is a partnership between Michigan State University, industry, consumers, commodity groups, and state government to address a variety of issues confronting plant-based agriculture. The additional funding continues the support of research at Michigan State University. The budget provides a total of \$6.1 million GF/GP for this project. The FY 1998-99 budget provided \$4.0 million GF/GP and a FY 1997-98 supplemental, which was carried forward, provided another \$1.0 million GF/GP.

FTE	0.0
Gross	\$2,100,000
GF/GP	\$2,100,000

2. Program Transfer - Local Food Safety Grants

Under Executive Order 1996-01, the Governor transferred the Food Service Sanitation Program from the Department of Community Health to the Department of Agriculture. However, the funding for the local cost sharing component of this program remained in the Department of Community Health budget through FY 1998-99. The budget transfers \$7.9 million to the Department of Agriculture via an interdepartmental grant from the Department of Community Health to provide grants to local health departments for food safety activities. This transfer would align funding for all state and local food safety activities within the Department of Agriculture, thereby further consolidating standard setting, monitoring, and inspection activities within a single agency.

FTE	0.0
Gross	\$7,888,300
GF/GP	\$0

MAJOR BUDGET CHANGES: FY 1999-2000

<u>Budget Issue</u>	<u>Change from FY 1998-99</u>	
<p>3. Funding Shifts - Horse Racing Revenue Adjustments Horse racing revenue support for three fair-related programs is replaced with an equal amount of GF/GP (\$2.4 million) and the horse racing revenue is re-directed to fund horse racing programs. Horse racing grants are reduced by 0.7% from current-year levels to reflect estimated revenue in FY 1999-2000 (\$11.5 million). As a result of these funding shifts, the FY 1999-2000 budget only appropriates horse racing revenue to support racing programs and related activities, representing a major policy change from the current-year funding arrangement.</p> <p>Additionally, \$303,100 in General Fund support is re-directed from the Office of Racing Commissioner to the Food and Dairy Division to support food safety activities. The funding will support food safety training and technology enhancements to the inspection system.</p>	FTE	0.0
	Gross	(\$361,400)
	GF/GP	\$2,442,500
<p>4. Program Enhancement - Biotechnology Grant The budget increases the grant to the Michigan Biotechnology Institute by \$100,000 GF/GP to develop new innovative technologies and to stimulate their commercialization in Michigan. Total funding for this grant in FY 1999-2000 is \$1.5 million.</p>	FTE	0.0
	Gross	\$100,000
	GF/GP	\$100,000
<p>5. Program Enhancement - Migrant Labor Housing The budget contains an increase of \$250,000 GF/GP to supply matching grants to the agriculture community for the construction and renovation of migrant labor housing. Total recommended funding for FY 1999-2000 is \$550,000 GF/GP. Boilerplate language encourages the Department to seek all available federal funding to augment state support of the program.</p>	FTE	0.0
	Gross	\$250,000
	GF/GP	\$250,000
<p>6. New Program - Export Promotion The budget contains \$100,000 GF/GP to coordinate state participation in the Market Access Program through the U.S. Department of Agriculture. The funding will leverage additional federal funds to supply grants to Michigan agricultural producers for the purpose of developing new and enhancing existing export markets for Michigan agricultural products.</p>	FTE	0.0
	Gross	\$100,000
	GF/GP	\$100,000
<p>7. New Program - On-Farm Fuel Storage The budget contains \$80,000 (\$40,000 GF/GP) to fund a position to serve as a liaison between industry and the agricultural community regarding on-farm fuel storage issues.</p>	FTE	1.0
	Gross	\$80,000
	GF/GP	\$40,000
<p>8. Program Enhancement - Food Bank The budget increases funding by \$49,200 GF/GP for a grant to the Food Bank Council of Michigan to process unwanted surplus agricultural products for distribution to food banks throughout Michigan. Total funding for FY 1999-2000 is \$774,200.</p>	FTE	0.0
	Gross	\$49,200
	GF/GP	\$49,200
<p>9. Grant - 4-H Foundation of Michigan The budget contains a one-time grant to the 4-H Foundation of Michigan to assist with capital improvements at the Kettunen Center. The state funding will augment private contributions and funding from the Foundation to assist in the completion of the master plan for the Center.</p>	FTE	0.0
	Gross	\$285,000
	GF/GP	\$285,000

MAJOR BUDGET CHANGES: FY 1999-2000**Budget Issue****Change from FY 1998-99****10. Grant - Apple Juice Concentrate Dumping**

The budget contains funding to provide a grant to the U.S. Apple Association for the purpose of data collection and legal activities to bring a case before the U.S. Department of Commerce and the International Trade Commission concerning the dumping of below-cost apple juice concentrate in U.S. markets by foreign suppliers.

FTE	0.0
Gross	\$20,000
GF/GP	\$20,000

ECONOMICS: FY 1999-2000**1. Standard Economic Adjustments**

The budget provides funding for standard economic adjustments associated with salary and wages, insurances, retirement, motor transport, and worker's compensation charges.

Gross	\$1,230,700
GF/GP	\$1,008,400

2. Unclassified Salaries

The budget provides a 3% increase to the salaries of the Department's unclassified employees.

Gross	\$13,900
GF/GP	\$11,900

3. Property Management Charges

The budget includes \$445,000 GF/GP for increased property management charges associated with the Department's planned move to its new downtown Lansing location.

Gross	\$445,000
GF/GP	\$445,000

MAJOR BOILERPLATE CHANGES: FY 1999-2000**1. Indemnification Payments**

New language is included authorizing the Department to expend funds received from the Department of Natural Resources to reimburse the Department for indemnification payments made for livestock killed by a wolf (Section 210). Language appears in the Department of Natural Resources budget requiring the reimbursement to Agriculture. Current-year language requires the Department of Agriculture to cover the indemnification payments for livestock killed by a wolf.

2. Restaurant Inspection Monitoring

New language is included requiring the Department to monitor restaurant inspection and licensing functions conducted by local health departments to ensure uniform application and enforcement of state licensing standards (Section 401). The language requires a report to the Legislature.

3. Wildlife Testing for Bovine Tuberculosis

New language is included requiring the Department to reimburse the Department of Natural Resources for mutually agreed-to costs associated with monitoring and testing wildlife for bovine tuberculosis (Section 450). The Department of Agriculture is responsible for testing livestock, while the Department of Natural Resources is responsible for monitoring the disease in wildlife.

4. Draft Horse Shows

Modified language is included designating equal amounts (\$39,100 GF/GP each) to the Great Lakes International Draft Horse Show and the Can-Am Draft Horse Show (Section 806). Current-year language directs all of the funding (\$78,800 restricted) to the Can-Am show.

MAJOR BOILERPLATE CHANGES: FY 1999-2000**5. Horse Racing Plan**

New language is included requiring the Department and the racing industry to develop a plan for assuring the viability of the industry in Michigan and to report to the Legislature (Section 902).

VETOES: FY 1999-2000

None

REVENUE INCREASES: FY 1999-2000

None

SUPPLEMENTAL APPROPRIATIONS: FY 1998-99**1. Bovine Tuberculosis Monitoring and Eradication**

A \$9.6 million GF/GP supplemental appropriation is provided to support the Department's efforts to eradicate bovine tuberculosis from Michigan. The disease has been found in the free-ranging white-tail deer population and has been recently discovered in a limited number of livestock herds. The presence of the disease in the livestock population threatens Michigan's Tuberculosis Accredited Free State status. The Department has been working with the Departments of Natural Resources and Community Health, local officials and farmers, and private veterinarians to monitor and eradicate this disease. The \$9.6 million will be used to test livestock at state expense, to provide indemnification payments to farmers with infected herds, and to help farmers reestablish their businesses if herds must be destroyed. The appropriation is established through boilerplate as a work project and will be available through FY 2000-2001. The FY 1997-98 budget contained \$1.6 million for the Department's eradication efforts.

Gross	\$9,637,000
GF/GP	\$9,637,000

2. Migrant Labor Housing

A \$250,000 GF/GP supplemental appropriation is provided to support grants to the agricultural community for the construction and renovation of migrant labor housing facilities.

Gross	\$250,000
GF/GP	\$250,000

ENVIRONMENTAL QUALITY

PUBLIC ACT 125 OF 1999

Analyst: Kirk Lindquist

	FY 1998-99 YEAR-TO-DATE APPROPRIATIONS	FY 1999-2000 ENACTED APPROPRIATIONS	FY 1999-2000 ENACTED CHANGE FROM FY 1998-99	
			AMOUNT	PERCENT
FTE POSITIONS	1,614.7	1,616.7	2.0	0.1
GROSS	\$522,540,900	\$393,588,600	(\$128,952,300)	(24.7)
IDG/IDT	7,121,100	16,778,700	9,657,600	135.6
ADJUSTED GROSS	\$515,419,800	\$376,809,900	(\$138,609,900)	(26.9)
FEDERAL	127,020,800	126,831,500	(189,300)	(0.1)
LOCAL	1,177,700	1,195,600	17,900	1.5
PRIVATE	451,700	333,700	(118,000)	(26.1)
STATE RESTRICTED	294,268,300	152,202,700	(142,065,600)	(48.3)
GF/GP	\$92,501,300	\$96,246,400	\$3,745,100	4.0

NOTE: The Clean Michigan Initiative (CMI) Supplemental (1999 PA 111) included \$120,753,000 for FY 1998-99, but no additional funds for this item are included in FY 1999-2000. The net change in state restricted funding, without the CMI Supplemental, is (\$10,848,500), or a 5.9% decrease from the year-to-date appropriation.

SB 364

Referred to Appropriations
2/23/99

Passed Senate
3/24/99

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5/27/99

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by Senate
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6/17/99

Effective
7/23/99

OVERVIEW - ENVIRONMENTAL QUALITY

Overall, the General Fund appropriation for the Department of Environmental Quality (DEQ) is increased by \$3.7 million in FY 1999-2000. The FY 1999-2000 appropriation includes several revenue adjustments. The total funding level from the Cleanup and Redevelopment Fund was reduced by \$11.9 million, and the scrap tire grants program was reduced by \$2.4 million. Programs which traditionally have been funded from Settlement Fund revenue are provided \$1.0 million General Fund to place these activities on a more stable fiscal foundation.

The most significant change in the Department of Environmental Quality budget is a current-year development. The new Clean Michigan Initiative bond program FY 1998-99 supplemental provides \$120.8 million for brownfield cleanup and redevelopment sites, waterfront redevelopment, contaminated lake and river sediment cleanup, and non-point pollution control grants. This supplemental provided funds to start pollution prevention grant and loan programs as well.

The Legislature considered boilerplate language which would have encouraged the Department to consider the compatibility of state projects and programs with local development plans and zoning ordinances; this language is not included in the FY 1999-2000 appropriation act. A new Hazardous Waste Hauling fee was proposed to replace lost hazardous waste hauler permit license revenue, but this new fee was not included in the enacted appropriation.

MAJOR BUDGET CHANGES: FY 1999-2000

<u>Budget Issue</u>	<u>Change from FY 1998-99</u>	
1. Local Public Health Department Operations	FTEs	0.0
Funds previously appropriated to the Department of Community Health for local public health department water supply programs and operations support are provided to the DEQ as an interdepartmental grant pursuant to Executive Order 1996-1.	Gross	\$9,331,200
	GF/GP	\$0
2. Cleanup and Redevelopment Fund	FTEs	0.0
Funding levels of programs which are supported by the Cleanup and Redevelopment Fund are reduced to a gross level of \$8,200,000 to reflect expected annual revenue.	Gross	(\$11,879,400)
	GF/GP	\$0
3. Scrap Tire Regulatory Fund	FTEs	0.0
Funding levels of programs supported by the Scrap Tire Regulatory Fund are reduced to \$1,607,000 to reflect expected annual revenue. The enacted budget includes \$100,000 for suppression costs for a tire fire in Benzie County.	Gross	(\$2,350,000)
	GF/GP	\$0
4. General Fund - Federal Funding Shift: Leaking Underground Storage Tanks	FTEs	0.0
General Fund support for Leaking Underground Storage Tanks replaces unrealized federal revenue.	Gross	\$0
	GF/GP	\$800,000

MAJOR BUDGET CHANGES: FY 1999-2000**Budget Issue****Change from FY 1998-99****5. Settlement Revenue Funding Shifts: Departmentwide**

General Fund support replaces uncollected Settlement/Responsible Party Payment revenue. Boilerplate language is included creating a Legislative Work Group to study and recommend a method of granting settlement fund revenue to impacted local governmental units.

FTEs	0.0
Gross	\$0
GF/GP	\$1,000,000

6. Wetland Permit Assistance and Investigations

Funding for field staff for Wetland Permit Assistance and Investigations is included. This increase is supported by the 1996 fee increase.

FTEs	0.0
Gross	\$225,000
GF/GP	\$0

7. Floodplain Mapping

This federal fund increase enables the state to prepare detailed flood plain maps. Only 1/3 of the state's floodplains have been mapped by the Federal Emergency Management Agency.

FTEs	0.0
Gross	\$210,000
GF/GP	\$0

8. Low-Income Community Wastewater Assistance

A new grant item for the Michigan Community Action Agency Association is included in the enacted budget to provide a statewide assistance program for rural community assistance programs.

FTEs	0.0
Gross	\$90,000
GF/GP	\$90,000

9. Upper Peninsula Environmental Assistance Programs

One position is added to the Marquette District office for pollution prevention and other environmental assistance program activities. This position is supported by Waste Reduction Fee Revenue.

FTEs	0.0
Gross	\$100,000
GF/GP	\$0

ECONOMICS: FY 1999-2000***Economic Changes***

Departmentwide increases and decreases are provided to cover a general 3 % Civil Service pay raise, retirement contribution requirements, health plan obligations, and motor transport costs.

FTEs	0.0
Gross	\$4,775,100
GF/GP	\$1,979,300

MAJOR BOILERPLATE CHANGES: FY 1999-2000**1. Section 220. Internal Auditor Report**

A new biennial report on Department Internal Audit activities is to be provided to the Legislature.

2. Section 225. Settlement Fund Work Group

A Joint Legislative Work Group would be appointed to study and recommend a method of distributing settlement fund revenue to impacted local governmental units.

3. Section 226. Nature Conservancy

The Nature Conservancy involvement with the Natural Resources Heritage Program and permit functions of the Department of Environmental Quality is phased out.

MAJOR BOILERPLATE CHANGES: FY 1999-2000**4. Section 227. Clean Michigan Initiative (CMI)**

Any recommended changes in the appropriations for the CMI Program are to be referred to the appropriations committees before any expenditures occur. This section is included out of a concern that the FY 1999-2000 CMI recommendation might be added to another appropriation bill without the involvement of the legislative appropriation committees.

5. Section 605. Redevelopment and Cleanup Project Sites

A detailed list of sites funded through the Cleanup and Redevelopment Fund Program is included in the enacted budget.

6. Section 704. Leaking Underground Storage Tank Sites

A detailed list of sites funded through the Leaking Underground Storage Tank Program is included.

7. Section 803. Rural Community Assistance

New language is included for the rural community assistance program for low-income community wastewater assistance.

8. Section 1101. Great Lakes Bottom Lands Permits

The Department is required to prepare a plan to collect permit fees before requiring users of bottom lands to pay for permits.

VETOES: FY 1999-2000**1. Pollution Prevention Technical Assistance**

Boilerplate section 802 provided \$300,000 from the Michigan Retired Engineer Technical Assistance Program to establish a university internship pilot project. Those students would have analyzed hazardous material use and provided training for employees of small- and medium-sized businesses. This program was funded from Waste Reduction fee revenue.

FTE	0.0
Gross	\$300,000
GF/GP	\$0

2. Study of Department Child Protection Standard Adequacy

Boilerplate section 1003 would have required the Department to designate \$100,000 from the Great Lakes Protection Fund to study and recommend changes in air, water, and waste standards. These changes would mitigate against the adverse effects of pollutants on child health.

FTE	0.0
Gross	\$100,000
GF/GP	\$0

REVENUE INCREASES: FY 1999-2000

None

SUPPLEMENTAL APPROPRIATIONS: FY 1998-99**1. Brownfield Cleanup and Redevelopment: Environmental Cleanup and Redevelopment Program**

This appropriation would provide funds for cleanup costs at sites listed in boilerplate section 405. Grants will be awarded to communities for the cost of cleanup activities at municipal landfills. This program was established by 1996 PA 383.

FTEs	0.0
Gross	\$47,856,000
GF/GP	\$0

2. Brownfield Cleanup and Redevelopment: National Priority List (NPL) – Municipal Landfill Match Grants Program

Funds would be provided for matching grants for sites approved by the Brownfield Redevelopment Board.

FTEs	0.0
Gross	\$2,000,000
GF/GP	\$0

3. Brownfield Cleanup and Redevelopment: Grants and Loan Programs

Grants and loans are established for local governments and brownfield redevelopment authorities for response activities at known or suspected sites with redevelopment potential. Projects would be scored and selected through the same process used in the 1988 Quality of Life Bond program. The Executive Recommendation included \$10,000,000 for these grants, but the Senate reduced this program because no list of grantees was provided by the Department.

FTEs	0.0
Gross	\$2,000,000
GF/GP	\$0

4. Brownfield Cleanup and Redevelopment: Leaking Underground Storage Tank Cleanup Program

This appropriation provides funds for underground storage tank sites included in boilerplate section 406.

FTEs	0.0
Gross	\$12,597,000
GF/GP	\$0

5. Waterfront Redevelopment Program

This new grant program supports community waterfront cleanup and redevelopment projects. Sites and projects would be determined with the advice of the Michigan Jobs Commission.

FTEs	0.0
Gross	\$20,000,000
GF/GP	\$0

6. Contaminated Lake and River Sediments Cleanup

This appropriation provides funds for sites included in boilerplate section 407.

FTEs	0.0
Gross	\$4,300,000
GF/GP	\$0

7. Pollution Prevention: Nonpoint Source Pollution Prevention Assistance

Pollution prevention assistance and control projects are to be awarded through a RFP (request for proposal) process.

FTEs	0.0
Gross	\$12,000,000
GF/GP	\$0

8. Pollution Prevention: Retired Engineers Technical Assistance Program (RETAP) Fund

This appropriation capitalizes the RETAP Fund.

FTEs	0.0
Gross	\$10,000,000
GF/GP	\$0

9. Pollution Prevention: Small Business Pollution Prevention Assistance (SBPPA) Revolving Loan Fund

This appropriation capitalizes the SBPPA Revolving Loan Fund.

FTEs	0.0
Gross	\$5,000,000
GF/GP	\$0

SUPPLEMENTAL APPROPRIATIONS: FY 1998-99**10. Pollution Prevention: Small Business Pollution Prevention Assistance (SBPPA) Revolving Loan Fund**

Loans are provided to cover costs associated with their efforts by small businesses to reduce the amount of waste generated by small businesses.

FTEs	0.0
Gross	\$5,000,000
GF/GP	\$0

NATURAL RESOURCES

PUBLIC ACT 121 OF 1999

Analyst: Kirk Lindquist

	FY 1998-99 YEAR-TO-DATE APPROPRIATIONS	FY 1999-2000 ENACTED APPROPRIATIONS	FY 1999-2000 ENACTED CHANGE FROM FY 1998-99	
			AMOUNT	PERCENT
FTE POSITIONS	2,230.5	2,243.5	13.0	0.6
GROSS	\$233,614,500	\$241,911,300	8,296,800	3.6
IDG/IDT	7,048,600	4,643,100	(2,405,500)	(34.1)
ADJUSTED GROSS	\$226,565,900	\$237,268,200	10,702,300	4.7
FEDERAL	19,705,600	22,268,200	2,562,600	13.0
LOCAL	0	0	0	0.0
PRIVATE	1,810,600	1,698,600	(112,000)	(6.2)
STATE RESTRICTED	155,399,700	161,806,400	6,406,700	4.1
GF/GP	\$49,650,000	\$51,495,000	1,845,000	3.7

SB 370

Referred to Appropriations
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5/27/99

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6/10/99

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7/21/99

OVERVIEW - NATURAL RESOURCES

The Executive Recommendation for the Department of Natural Resources (DNR) includes increased budget support for forest management programs, youth outreach and outdoor education, and game and fish program support.

Forest planning, cooperative programs, and fire suppression efforts would be increased by more than \$4.0 million, while youth programs would grow by \$650,000. Game and fish protection programs would be increased by \$3.5 million. Nearly half of this increase would support conservation law enforcement and \$840,000 would be added to support game habitat efforts in state forests.

No fee increases are recommended in FY 1999-2000. Several forest management program improvements have been included in the FY 1999-2000 budget: nearly \$3.3 million was added for state forest inventory and private woodlot management programs. An additional \$1.2 million was included to purchase forest fire suppression equipment. The law enforcement program was provided \$1.5 million to put computers in conservation officer vehicles and the Department was authorized to hire ten new conservation officers to address lower peninsula game and fish enforcement priorities.

MAJOR BUDGET CHANGES: FY 1999-2000

<u>Budget Issue</u>	<u>Change from FY 1998-99</u>	
1. Federal Forest Product Royalty Revenue	FTEs	0.0
Timber Sale Royalty revenue is provided for grants to local communities for aid to public school districts and for county road improvements.	Gross	\$2,800,000
	GF/GP	\$0
2. State Forest Inventory and Monitoring Programs	FTEs	0.0
An expanded effort in State Forest Inventory and Monitoring Programs, in cooperation with the U.S. Forest Service, places each state forest on a five-year study cycle. This increase is supported by Forest Resource Revenue.	Gross	\$2,335,000
	GF/GP	\$0
3. In-Car Computers	FTEs	0.0
Computers are to be installed in vehicles used by Conservation Officers. This Game and Fish Fund increase was requested by the Department when it discovered a \$10,800,000 fund balance in 1997.	Gross	\$1,500,000
	GF/GP	\$0
4. Cooperative Forestry Programs	FTEs	0.0
Grant funds (through Cooperative Forest Resource Programs to Soil Conservation Districts) assist private landowners in managing timber-producing properties. This increase is supported by Forest Resource and Game and Fish Fund revenue.	Gross	\$1,250,000
	GF/GP	\$0
5. Fire Suppression Equipment	FTEs	0.0
Forest Resource revenue support is provided to purchase fire suppression equipment.	Gross	\$1,200,000
	GF/GP	\$0

MAJOR BUDGET CHANGES: FY 1999-2000

<u>Budget Issue</u>	<u>Change from FY 1998-99</u>	
6. Law Enforcement: Conservation Officers The enacted budget provides Game and Fish Fund support for ten new conservation officers.	FTEs	10.0
	Gross	\$1,000,000
	GF/GP	\$0
7. Michigan Civilian Conservation Corps The interdepartment grant from the Michigan Jobs Commission is replaced by a direct \$1.0 million General Fund appropriation.	FTEs	0.0
	Gross	\$0
	GF/GP	\$1,000,000
8. Youth Education Programs Game and Fish Fund support is included for the publication costs for the Department's new "Buck Wilder" youth outreach and resource education program.	FTEs	0.0
	Gross	\$650,000
	GF/GP	\$0
9. Snowmobile Enforcement Additional fee revenue is included to support county sheriff snowmobile enforcement efforts.	FTEs	0.0
	Gross	\$937,000
	GF/GP	\$0
10. State Parks A general increase has been recommended to make up for unfunded program costs incurred in earlier fiscal years (State Park Endowment Fund and GF/GP).	FTEs	0.0
	Gross	\$400,700
	GF/GP	\$162,200
11. Marine Safety Grants The Executive recommendation reduced local watercraft safety enforcement grants by \$400,000 (Marine Safety Fund). These funds were restored in the enacted budget.	FTEs	0.0
	Gross	\$0
	GF/GP	\$0
12. Clean Michigan Initiative Recreation Grants Administration Clean Michigan Initiative Bond Fund support is included to cover DNR administrative costs for three positions to administer the local recreation grants program.	FTEs	0.0
	Gross	\$250,000
	GF/GP	\$0
13. Wildlife Habitat Programs The wildlife habitat maintenance program is increased to reflect expected federal (Pittman/Robinson) grant revenue.	FTEs	0.0
	Gross	\$225,000
	GF/GP	\$0
14. Conservation Officer Radios The one-time Game and Fish Fund appropriation for radios for Conservation Officers was deleted.	FTEs	0.0
	Gross	(\$600,000)
	GF/GP	\$0
15. Legislative Initiatives The following legislative programs were deleted: St. Mary's River Little Rapids Restoration; Inplace Fish Hatchery; Lake Sewer Program; and Aquatic Nuisance Signs.	FTEs	0.0
	Gross	(\$477,300)
	GF/GP	(\$0)
16. Grants to Communities for Maintenance of Tax Reverted Properties A \$1.0 million local grant program was included in the FY 1998-99 budget as a supplemental item. These funds are granted to communities for property cleanup and maintenance. The enacted budget continues this program at the \$250,000 level.	FTEs	0.0
	Gross	(\$750,000)
	GF/GP	(\$750,000)

ECONOMICS: FY 1999-2000***Economic Changes***

Departmentwide increases and decreases are made to cover a general 3 % Civil Service pay raise, retirement contribution requirements, health plan obligations, and motor transport costs.

FTEs	0.0
Gross	\$5,791,900
GF/GP	\$1,152,000

MAJOR BOILERPLATE CHANGES: FY 1999-2000**1. Section 210. Nature Conservancy**

The Nature Conservancy involvement with the Natural Resources Heritage program was included in the enacted budget.

2. Section 215. Privatization Project Plan

The Department is to demonstrate that measurable savings and program quality improvements will be realized by the state before a privatization proposal is implemented.

3. Section 222. Internal Auditor Report

This section describes a biennial report to be prepared by the Department's internal auditor on the activities of the internal auditor for the prior fiscal year.

4. Section 223. State Aircraft Maintenance and Scheduling

A report would be required describing a plan to maintain, schedule and use state-owned aircraft.

5. Section 302. Buck Wilder

The enacted budget requires a report on services provided to schools and teachers through the natural resources education and outreach program. This report is to be prepared by an objective third party.

6. Section 303. Habitat Improvement

The Department is required to provide a report to the Legislature on habitat improvement projects.

7. Section 603. Livestock Indemnification

The Department shall reimburse the Department of Agriculture for indemnification payments made to livestock owners if investigators determine that wolves are responsible for livestock losses.

8. Section 605. Captive Cervidae

A work group would be created to develop definitions of captive cervidae (elk and deer) farms and hunting preserves.

9. Section 604. TB Cost Reimbursement

The Department of Agriculture would be requested to pay for monitoring and testing done by the DNR to eradicate TB from the free-ranging deer herd. The Department of Agriculture is not required to pay for this service.

10. Section 702. Dam Recertification

The Department is required to pay for the costs of non-water quality studies or requirements related to the certification of dams and water control structures.

11. Section 1203. Off-road Vehicle Enforcement

Grants to counties impacted by off-road vehicle use at state parks is available. The appropriation of \$35,000 is provided for this purpose.

Natural Resources

VETOES: FY 1999-2000

None

REVENUE INCREASES: FY 1999-2000

None

SUPPLEMENTAL APPROPRIATIONS: FY 1998-99

1. Natural Features Inventory

Additional funds will be used for purchasing tree planting equipment and for increased contractual services provided by the Nature Conservancy. Funding source is the Michigan Nongame Fund income tax check-off.

FTEs	0.0
Gross	\$350,000
GF/GP	\$0

2. Urban Tree Planting Grants

This will enable the DNR to administer an urban tree planting program on behalf of Detroit Edison (who will provide the program's funds).

FTEs	0.0
Gross	\$140,000
GF/GP	\$0

3. Clean Michigan Fund - Recreation Grants

The grants management program is provided Clean Michigan Bond funds to administer the local recreation grants program.

FTEs	0.0
Gross	\$150,000
GF/GP	\$0